

The Macomb Daily

January 14, 2010

Chinese firm picks Macomb

Auto supplier to create 53 jobs in Warren

By Norb Franz Macomb Daily Staff Writer

The largest Chinese manufacturer of automotive interior components has picked the city of Warren for its first production facility in the United States.

Yanfeng USA Automotive Trim Systems plans to create 53 new jobs at a leased industrial building on Frazho Road near Bunert Road.

On an industrial scale, the company's initial investment is relatively small — a bit over \$1 million. But the firm has \$10 million ready to immediately invest if it can land additional contracts, officials said.

"Our goal is to try to get something in the books for early next year," said Michael Caringi, operations manager for Yanfeng USA.

In China, Yanfeng had over \$3 billion (in U.S. dollars) in revenue in 2009, General Manager David Wong told The Macomb Daily.

The company recently created the Yanfeng USA name as a separate, wholly-owned operation for its first venture in North America. It's separate from a joint venture with Visteon that still exists in China.

"We have some opportunities," Wong said. He declined to elaborate. The company already makes door panels for Chrysler's Jeep Grand Cherokee. Executives continue to have discussions with other automakers, and is close to finalizing another agreement to build interior parts for General Motors, officials said.

A few years ago, Yanfeng in partnership with Visteon was chosen by General Motors to design and manufacture door trims for the Buick Lacrosse. The components are made in China and shipped to the U.S.

In Warren, the company has inked a 6-year lease of approximately 80,000 square feet of floor space at the Warren Business Center. Workers will assemble parts manufactured in China.

For Yanfeng USA's investment and job creation, Warren officials on Tuesday approved an industrial facilities tax exemption that will save the company 50 percent on its personal property taxes for seven years. Documents filed with the city show that employment will include 10 managerial/ professional jobs, eight semiskilled and 34 unskilled positions and one office staffer. Estimated payroll: \$3 million. An estimated 80 percent of the jobs will be agency workers through Manpower.com.

The installation of machinery and other equipment, furniture and fixtures is expected to be completed by the end of March. Under the tax abatement agreement, the company in 2012 must begin reporting biennially its actual project costs and whether it has met its employment promises. If the firm fails to meet projections, city officials can cut the length of the tax break or revoke it, and recapture any waived property taxes. Wong said Yangfeng USA sought locations near current and potential original equipment manufacturers.



Caringi said the Michigan Economic Development Corporation assisted company executives in their site search. The firm picked Warren over facilities in Detroit and Highland Park because they consider it a safer location with a better local labor pool.

“The story they didn’t tell here is they’re expanding rapidly in China. They intend to expand rapidly here,” said Gina Cavaliere, the city’s director of community, economic and downtown development.

Seventeen officials from Macomb County visited China in late November and early December to establish connections with one of the world’s fastest-growing economies, hoping to lure Chinese companies to Macomb County and to create new exporting opportunities for businesses in Macomb.

The trade mission was the first major initiative of a new nonprofit group, the Macomb Cultural and Economic Partnership. Members represented government, business and education.

The trade delegation’s stops included a tour of a Yanfeng factory, although the company had already begun work establishing its first North American site prior to the group’s visit.

Macomb County Commissioner Ed Bruley, co-chairman of the county board’s Planning and Economic Development Committee, was part of the MCEP delegation. He said if Yangfeng’s first assembly operations outside China prove to be successful and the company can get additional contracts, it might establish manufacturing and engineering centers in the U.S.

“This company has made the determination that Macomb is a good place to do business,” said Bruley, who is optimistic the county can lure more Chinese companies in the near future.